

# **Exhibit A**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BRONX

-----X  
EULALIA BALAGUER,

Index No.: 15713/2007

Plaintiff,

-against-

AFFIDAVIT

1854 MONROE AVENUE HOUSING  
DEVELOPMENT FUND CORPORATION,

Defendant.

-----X  
STATE OF NEW YORK)  
COUNTY OF BRONX ) ss.

EULALIA BALAGUER, being duly sworn, deposes and says:

I am the plaintiff in the above-entitled matter and submit this affidavit in support of my case against the defendant.

On December 20, 2006 I resided at 1854 Monroe Avenue, Apartment 1A, Bronx, New York. My apartment was undergoing some renovation that required tiles to be removed from the floor of my apartment, specifically in my kitchen. The work was being done by worker's employed by the landlord. The Head Officer of the defendant is Monica Acevedo.

On the evening of December 20, 2006 the workers had pulled up some of the tiles on the floor. I did not know that they had also placed glue or other sticky material on the floor. I walked into the kitchen to get some medicine and my foot stuck to the floor causing me to fall.

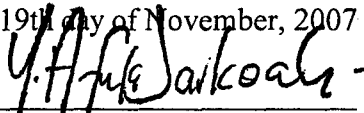
When I fell I broke my leg. I was taken by ambulance to St. Barnabas Hospital where I was admitted. I had to have a surgery and there was a rod inserted in my leg. The hospital bill was approximately \$95,000.00.

Since the time of the accident I have suffered a great deal of pain. I have been unable to walk properly and have undergone a great deal of physical therapy to help me heal. I don't know if I will ever be without pain again.

Dated: New York, New York  
November 19, 2007

  
EULALIA BALAGUER

Sworn to before me this  
19th day of November, 2007

  
NOTARY PUBLIC

11/28/07  
YVONNE A. DARKOAH  
NOTARY PUBLIC, State of NY  
No. 01DA6053795  
Qualified in Bronx County  
Commission Expires Jan. 16, 2011

## **Exhibit B**

JUDGE CASTEL

07 CV 10934

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
UNITED NATIONAL SPECIALTY INSURANCE  
COMPANY,

CIV:

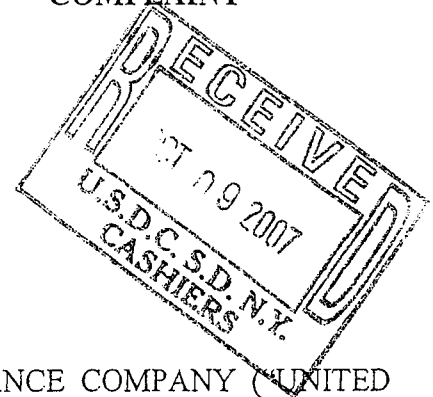
Plaintiff,

COMPLAINT

-against-

1854 MONROE AVENUE H.D.F.C. and EULALIA  
BALAGUER,

Defendants.  
-----X



Plaintiff, UNITED NATIONAL SPECIALTY INSURANCE COMPANY ("UNITED NATIONAL"), by its attorneys, MIRANDA SOKOLOFF SAMBURSKY SLONE VERVENIOTIS LLP, complaining of the defendants, alleges, upon information and belief, as follows:

**THE PARTIES**

1. At all times hereinafter mentioned, plaintiff was and still is a corporation duly incorporated in the State of Wisconsin under the laws of Wisconsin conducting and licensed to do business in New York.
2. At all times hereinafter mentioned, plaintiff was authorized to issue policies of insurance in the State of New York.
3. Upon information and belief, at all times hereinafter mentioned, defendant 1854 MONROE AVENUE H.D.F.C. ("MONROE") is a domestic corporation organized under and existing by virtue of the laws of the State of New York.

4. Upon information and belief, at all times hereinafter mentioned, defendant EULALIA BALAGUER was and still is a resident of 1854 Monroe Avenue, Bronx, New York 10457.

#### **JURISDICTION**

5. This Court has subject matter jurisdiction due to diversity of citizenship and amounts in controversy in excess of \$75,000, exclusive of interest and costs, pursuant to 28 U.S.C. Section 1332. Venue is proper in this district pursuant to 28 U.S.C. Section 1391 in that the claim arose in this district.
6. A controversy exists between the parties as to the coverage afforded under UNITED NATIONAL'S policy of insurance number L7180545, as well as the provisions of said policy.
7. Circumstances exist that justify the determination by the Court, pursuant to 28 U.S.C. Section 2201, of the rights and obligations of the plaintiff as to the provisions of the aforesaid policy of insurance, a determination that will be beneficial to both plaintiff and defendants.
8. Plaintiff has no adequate remedy at law.

#### **POLICY**

9. UNITED NATIONAL issued a Commercial Lines General Liability Policy, policy number L7180545, to MONROE for the policy period May 5, 2006 to May 5, 2007, which affords coverage in accordance to its terms, provisions, and conditions (the "Policy").

**THE UNDERLYING ACTION**

10. On or about May 30, 2007, a lawsuit was filed in the Supreme Court of the State of New York, Bronx County, entitled, Eulalia Balaguer v. 1854 Monroe Avenue Housing Development Fund Corporation, Index Number: 15713/07, seeking damages for alleged bodily injuries sustained by EULALIA BALAGUER, as a result of her fall on December 20, 2006 (“the Underlying Personal Injury Action”).
11. It is alleged in the Underlying Personal Injury Action that on or about December 20, 2006, EULALIA BALAGUER, while lawfully at 1854 Monroe Avenue, Bronx, New York was caused to be precipitated and fall, causing her to sustain severe injuries.
12. UNITED NATIONAL has retained counsel to represent MONROE in the Underlying Personal Injury Action until an adjudication can be made regarding the rights and responsibilities of the parties under the subject insurance contract by this Court.

**AS AND FOR A FIRST CAUSE OF ACTION**

13. Plaintiff repeats and realleges each and every allegation contained in the paragraphs of the complaint numbered 1 through 12 as if fully set forth at length herein.
14. The Policy provides in pertinent part as follows:

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

**2. Duties In The Event of Occurrence, Offense, Claim or Suit**

- a. You must see to it that we are notified as soon as practicable of an “occurrence” or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the “occurrence” or offense took place;

(2) The name and addresses of any injured persons and witnesses;  
and

(3) The nature and location of any injury or damage arising  
out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured,  
you must:

(1) Immediately record the specifics of the claim or "suit" and the  
date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or  
"suit" as soon as practicable.

15. The accident took place on December 20, 2006.

16. That MONROE was aware of said accident at or about the time it occurred.

17. That notice was not provided to UNITED NATIONAL at that time, however.

18. MONROE'S broker, Murphy & Jordan, LLC, first gave notice, by a fax dated July 20,  
2007 to Morstan General Agency, Inc.

19. Morstan General Agency, Inc. gave notice to UNITED NATIONAL on July 20, 2007,  
which was its first notice of this matter.

20. UNITED NATIONAL disclaimed coverage via a letter dated August 2, 2007.

21. The Policy condition requiring the forwarding of a notice of an occurrence or claim as  
soon as practicable was thus breached by MONROE, and EULALIA BALAGUER, and  
any other party seeking coverage under the Policy in connection with the Underlying  
Personal Injury Action.



22. By reason of the foregoing, UNITED NATIONAL is entitled to a declaration that it does not have a duty to defend MONROE, or EULALIA BALAGUER.

23. By reason of the foregoing, UNITED NATIONAL is entitled to a declaration that it does not have a duty to indemnify MONROE or EULALIA BALAGUER.

**WHEREFORE**, plaintiff, UNITED NATIONAL prays that judgment be made and entered herein:

(a) declaring that plaintiff is not obligated to defend and indemnify MONROE or EULALIA BALAGUER under UNITED NATIONAL's liability policy number L7180545, with respect to the claims in the underlying personal injury action; and

(b) granting to plaintiff such other and further relief as this court may deem just, proper, and equitable under the circumstances, together with the costs and disbursements of this action.

DATED: Mineola, New York  
November 27, 2007

MIRANDA SOKOLOFF SAMBURSKY  
SLONE VERVENIOTIS LLP  
Attorneys for the Plaintiff  
**UNITED NATIONAL SPECIALTY  
INSURANCE COMPANY**

By: 

Michael A. Miranda  
The Esposito Building  
240 Mineola Boulevard  
The Esposito Building  
Mineola, New York 11501  
(516) 741-7676  
Our File No.: 07-544

## **Exhibit C**

ORIGINAL

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
UNITED NATIONAL SPECIALTY INSURANCE  
COMPANY,

CIV: 07 CV 10934

Plaintiff,

-against-

VERIFIED ANSWER  
AND COUNTERCLAIM

1854 MONROE AVENUE H.D.F.C. and EULALIA  
BALAGUER

Defendants  
-----X

PLEASE TAKE NOTICE, that the defendant, EULALIA BALAGUER, by her attorneys,  
FELDMAN, KRONFELD & BEATTY, upon information and belief, answers the complaint as  
follows:

THE PARTIES

1. Denies knowledge or information sufficient to form a belief as to each and every  
allegation contained in paragraphs designated "1" and "2".
2. Admits each and every allegation contained in paragraphs designated "3" and "4".

JURISDICTION

3. Denies knowledge or information sufficient to form a belief as to each and every  
allegation contained in paragraphs designated "5" through "8", but refers all questions of law to  
the Court.

POLICY

4. Denies knowledge or information sufficient to form a belief as to each and every  
allegation contained in paragraphs designated "9".

THE UNDERLYING ACTION

5. Admits the allegations contained in paragraphs "10" and "11".

6. Denies knowledge or information to form a belief as to each and every allegation contained in paragraphs designated "12" but admits that attorneys have appeared on behalf of the co-defendant, 1854 MONROE AVENUE H.D.F.C.

IN RESPONSE TO FIRST CAUSE OF ACTION

7. Repeats and reiterates each and every denial and admission in paragraphs "1." through "6." as though set forth more fully at length herein.

8. Denies knowledge or information to form a belief as to each and every allegation contained in paragraphs designated "14".

9. Admits the allegations contained in paragraph "15".

10. Denies knowledge or information to form a belief as to each and every allegation contained in paragraphs designated "16". "17", "18", "19" and "20" and refers all questions of law to the Court.

11. Denies each and every allegation contained in paragraphs designated "21", "22" and "23".

AS AND FOR A FIRST AFFIRMATIVE DEFENSE:

That the declaratory relief sought by the plaintiff is inapplicable as a matter of law.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE:

That the plaintiff failed to properly conform to the requirements of its insurance contract with the co-defendant and was negligent and unlawful in failing to provide a timely defense to the underlying action.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE:

The Court lacks jurisdiction over the answering defendant, in that service was improperly effectuated.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE:

That the plaintiff did, in an untimely and negligent manner, assign the defense of the underlying action to attorneys who have failed to protect the interests of their client and that the relief requested herein is part of a pattern of behavior to avoid their legal and contractual obligations to the co-defendant, all thereby thereby constituting a fraud.

AS AND FOR A COUNTERCLAIM HEREIN

1. At all times hereinafter mentioned, the plaintiff, UNITED NATIONAL SPECIALTY INSURANCE COMPANY, was an insurance company affording liability insurance to the co-defendant, 1854 MONROE AVENUE H.D.F.C.
2. That on or before July 23, 2007, the plaintiff, UNITED NATIONAL SPECIALTY INSURANCE COMPANY, received notice of the underlying lawsuit on behalf of EULALIA BALAGUER, naming their insured, 1854 MONROE AVENUE H.D.F.C., as a party defendant.
3. That the allegations in the lawsuit commenced by EULALIA BALAGUER, were of the kind that the aforementioned liability coverage was intended to include.
4. That on or about July 23, 2007, the plaintiff, by its agents, servants, and/or employees contacted the attorneys for EULALIA BALAGUER, specifically the law firm of FELDMAN, KRONFELD & BEATTY to advise of the available coverage.
5. That on or about July 23, 2007 a representative of the plaintiff specifically and unequivocally assumed the duty to protect the interests of the co-defendant, 1854 MONROE AVENUE H.D.F.C.

6. That as part of the duty expressed and in the role of the liability carrier, and without any expressed or implied reservation, the plaintiff, by its agents, servants, and/or employees did assume the duty to afford the coverage to which it was contractually obligated to provide.

7. That as part of the assumption of the duty to afford said coverage, the plaintiff, by its agents, servants, and/or employees did also assume the duty to defend the underlying lawsuit and to provide defense counsel for those purposes.

8. That the plaintiff has failed, to the present time, to afford coverage to the co-defendant, 1854 MONROE AVENUE H.D.F.C.

9. That the failure of the plaintiff to afford coverage to the co-defendant has damaged EULALIA BALAGUER.

10. That the failure of the plaintiff to afford coverage to the co-defendant was an intentional act to defraud the defendants.

11. That the plaintiff failed to timely defend the underlying lawsuit, despite its assumed, implied and express obligation to do so.

12. That the failure of the plaintiff to defend the underlying lawsuit has damaged EULALIA BALAGUER.

13. That as a result of the foregoing, the defendant EULALIA BALAGUER is entitled to monetary damages that are punitive damages.

14. That as a result of the foregoing, the plaintiff is entitled to general damages that are monetary damages for her pain, suffering and loss of quality of life.

15. That the claim for general damages arises from the failure of the plaintiff to

perform those duties for which it was obligated.

16. That the claim for punitive damages arises from the intentional and fraudulent acts of the plaintiff, specifically an invalid, illegal and untimely disclaimer of coverage and the failure to timely defend the underlying action.


17. By reason of the foregoing the defendants are entitled to a declaration that UNITED NATIONAL SPECIALTY INSURANCE COMPANY has a duty to provide coverage in the underlying action.

18. By reason of the foregoing the defendants are entitled to a declaration the UNITED NATIONAL SPECIALTY INSURANCE COMPANY has a duty to defend the co-defendant, 1854 MONROE AVENUE H.D.F.C., to the extent still available.

WHEREFORE, the defendant, EULALIA BALAGUER, demands judgment against the plaintiff herein, dismissing the Complaint together with the costs and disbursements of this action and on the COUNTERCLAIM, the defendant, EULALIA BALAGUER, demands judgment against the plaintiff for a declaration that UNITED NATIONAL SPECIALTY INSURANCE COMPANY has a duty to provide coverage in the underlying action, for a declaration that UNITED NATIONAL SPECIALTY INSURANCE COMPANY has a duty to defend the co-defendant, 1854 MONROE AVENUE H.D.F.C. in the underlying action, for general damages in the amount of FIVE MILLION AND 00/100 DOLLARS (\$5,000,000.00) and punitive damages in the amount of FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000.00) together with the cost, interest, attorneys fees and disbursements of this action.

Dated: New York, New York

March 7, 2008

Yours, etc.   
MICHAEL C. BEATTY (4144)  
FELDMAN, KRONFELD & BEATTY  
Attorneys for Defendant, EULALIA BALAGUER  
42 Broadway, 19th Floor  
New York, New York 10004  
212-425-0230

TO:

MIRANDA SOKOLOFF SAMBURSKY SLONE VERVENIOTIS LLP  
Attorneys for the plaintiff, UNITED NATIONAL  
240 Mineola Boulevard  
Mineola, New York 11501  
(516) 741-7676  
File No. 07-544

Barry McTiernan & Moore  
Attorneys for co-defendant ,  
1854 MONROE AVENUE HOUSING DEVELOPMENT FUND CORPORATION  
55 Church Street  
White Plains, NY 10601



**ATTORNEY'S VERIFICATION BY AFFIRMATION**

MICHAEL C. BEATTY, an attorney duly admitted to practice before the Courts of the State of New York, affirms the following to be true under the penalties of perjury:

I am an attorney at FELDMAN, KRONFELD & BEATTY, attorneys of record for defendant, EULALIA BALAGUER. I have read the annexed **ANSWER and COUNTERCLAIM** and know the contents thereof, and the same are true to my knowledge, except those matters therein which are stated to be alleged upon information and belief, and as to those matters I believe them to be true. My belief, as to those matters therein not stated upon knowledge, is based upon facts, records and other pertinent information contained in my files.

I make the foregoing affirmation because defendant, EILALIA BALAGUER, is not presently in the county wherein I maintain my offices.

DATED: New York, New York  
March 7, 2008

  
\_\_\_\_\_  
MICHAEL C. BEATTY (4144)

## **Exhibit D**

**UNITED LAWYERS**

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BRONX

-----X  
EULALIA BALAGUER,

Plaintiff,

-against-

1854 MONROE AVENUE HOUSING  
DEVELOPMENT FUND CORPORATION,

Defendant.  
-----X

Index No.: 15713-07

Date Purchased: 5/3/07

**SUMMONS**

Plaintiffs designate BRONX  
County as the place of trial.


The basis of venue is:  
Plaintiff residence

Plaintiff resides at:  
1854 Monroe Avenue  
Bronx, New York 10457  
County of BRONX

To the above named Defendant:

**You are hereby summoned** to answer the complaint in this action, and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on the Plaintiff's attorney(s) within twenty days after the service of this summons, exclusive of the day of service, where service is made by delivery upon you personally within the state, or, within 30 days after completion of service where service is made in any other manner. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: NEW YORK, NEW YORK  
May 25, 2007



MICHAEL C. BEATTY  
FELDMAN, KRONFELD & BEATTY  
Attorneys for Plaintiff  
EULALIA BALAGUER  
42 Broadway, 19th Floor  
New York, New York 10004  
212-425-0230

TO:  
1854 MONROE AVENUE HOUSING  
DEVELOPMENT FUND CORPORATION  
1854 Monroe Avenue  
Bronx, NY 10457

COUNTY CLERK  
BRONX COUNTY

2007 MAY 30 AM 9:27

RECEIVED

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BRONX

-----X  
EULALIA BALAGUER,

Plaintiff,

-against-

1854 MONROE AVENUE HOUSING  
DEVELOPMENT FUND CORPORATION,

Defendant.  
-----X

Index No.:

Date Purchased:

VERIFIED COMPLAINT

2007 MAY 30 AM 9:27  
COUNTY CLERK  
BRONX COUNTY

RECEIVED

Plaintiff, by FELDMAN, KRONFELD & BEATTY, her attorneys, as and for her  
complaint herein, respectfully alleges:

FIRST: That upon information and belief, at all times hereinafter mentioned, the  
defendant, 1854 MONROE AVENUE HOUSING DEVELOPMENT FUND CORPORATION,  
was and still is engaged in owning, operating and maintaining a residential apartment complex,  
and more particularly owned, operated and maintained such premises located at 1854 Monroe  
Avenue, Bronx, New York.

SECOND: That at all times hereinafter mentioned, the defendant was a domestic  
corporation and/or foreign corporation authorized to do business and doing business in the State  
of New York.

THIRD: That upon information and belief, at all times hereinafter mentioned, the  
defendant, its agents, servants and/or employees, operated the premises located as aforesaid.

FOURTH: That upon information and belief, at all time hereinafter mentioned, the  
defendant, its agents servants and/or employees, maintained the premises located as aforesaid.

FIFTH: That upon information and belief, at all the times hereinafter mentioned, the defendant, its agents servants and/or employees, controlled the premises located as aforesaid.

SIXTH: That upon information and belief, at all the times hereinafter mentioned, the defendant, its agents, servants and/or employees, at and prior to the times hereinafter mentioned, wholly disregarded their duty and failed to use reasonable care in the ownership, operation, maintenance, use care and control of the aforesaid premises, and failed to keep same in a safe condition, and for a long period of time, carelessly and negligently caused and permitted an unlawful and dangerous condition to exist and remain thereat, in that the defendant, its agents, servants and/or employees, caused and permitted a defective flooring thereat and to remain in a dangerous and hazardous condition, thereby creating a dangerous, hazardous and unsafe condition, trap and a toe hold, and failed to correct the said unsafe condition, and defendant failed in any manner to warn or notify persons lawfully traversing the same and more particularly the plaintiff, of the said dangerous and unsafe condition, or to have any barricades, signs or other precautions, all of which condition the defendant had actual as well as constructive notice.

SEVENTH: That on or about December 20, 2006, while the plaintiff was lawfully at the aforesaid premises owned, operated, maintained, and controlled by the defendant as aforesaid, and without any fault or negligence on the part of the plaintiff, and wholly and solely by reason of the negligence of the defendant, its agents, servants and employees, in the ownership operation, maintenance and control of the aforesaid premises as more particularly set forth in paragraph "SIXTH" of this Complaint, she was caused to be precipitated and fall, causing the plaintiff to sustain severe injuries hereinafter more fully set forth.

EIGHTH: That the plaintiff was injured.

NINTH: That as a direct and immediate result of the foregoing, and without any act on the part of the plaintiff contributing thereto, the plaintiff sustained severe personal injuries and suffered great bodily pains and mental anguish as well as nervous shock, all of which rendered her sick, sore, lame and disabled and prevented her from attending to her usual duties and functions, and the plaintiff was obliged to and did submit to medical aid and assistance in an endeavor to be cured of said injuries, and was confined to bed and home for a period of time as a result of the said injuries, some of which injuries, upon information and belief, will be permanent, and was thereby caused to suffer a loss of quality of life.

TENTH: That no act or omission on the part of the plaintiff caused or contributed to the happening of said accident, and it was caused solely and wholly by the negligence of the defendant, its agents, servants and employees.

ELEVENTH: That by reason thereof, the plaintiff has been damaged in a sum that exceeds the jurisdictional limits of all lower courts.

WHEREFORE, plaintiff demands judgment against the defendant herein in a sum that exceeds the jurisdictional limits of all lower courts, together with the interest, costs and disbursements of this action.

Dated: New York, New York  
May 25, 2007

FELDMAN, KRONFELD & BEATTY

By: 

MICHAEL C. BEATTY

FELDMAN, KRONFELD & BEATTY

Attorneys for Plaintiff, EULALIA BALAGUER

42 Broadway, 19th Floor

New York, New York 10004

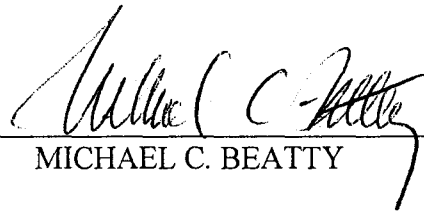
(212)425-0230

**ATTORNEY'S VERIFICATION**

MICHAEL C. BEATTY, an attorney duly admitted to practice before the Courts of the State of New York, affirms the following to be true under the penalties of perjury: I am an attorney at FELDMAN, KRONFELD & BEATTY, attorneys of record for Plaintiff, Eulalia Balaguer. I have read the annexed COMPLAINT and know the contents thereof, and the same are true to my knowledge, except those matters therein that are stated to be alleged upon information and belief, and as to those matters I believe them to be true. My belief, as to those matters therein not stated upon knowledge, is based upon facts, records, and other pertinent information contained in my files.

This verification is made by me because Plaintiff is not presently in the county wherein I maintain my offices.

DATED: New York, New York  
May 25, 2007



MICHAEL C. BEATTY

## **Exhibit E**



State of New York - Department of State  
Receipt for Service

Receipt #: 200707030324

Cash #: 200707030274

Date of Service: 07/02/2007

Fee Paid: \$40 - CHECK

Service Company: 85 AAA/ALBANY ATTORNEY SERVICES

Service was directed to be made pursuant to: SECTION 306 OF THE BUSINESS  
CORPORATION LAW

Party Served: 1854 MONROE AVENUE HOUSING DEVELOPMENT FUND CORPOR  
ATION

Plaintiff/Petitioner:  
BALAGUER, EULALIA

Service of Process Address:  
1854 MONROE AVENUE HOUSING DEVELOPMENT F  
1854 MONROE AVENUE  
BRONX, NY 00000

Secretary of State  
By DONNA CHRISTIE

GLOBAL PROCESS SERVICE CO., INC.  
291 BROADWAY, SUITE 1304  
NEW YORK, NY 10007  
LIC. # 887-054

SUPREME COURT BRONX COUNTY

**COUNTY OF BRONX**

EULALIA BALAGUER

Plaintiff(s)

- against -

1854 MONROE AVENUE HOUSING DEVELOPMENT FUND  
CORPORATION

Defendant(s)

Index No. 15713/07

**AFFIDAVIT OF SERVICE****SUMMONS & VERIFIED COMPLAINT****STATE OF NEW YORK: COUNTY OF NEW YORK****SS:**

DANIEL MILLER

**BEING DULY SWORN DEPOSES AND SAYS DEPONENT IS NOT A PARTY****TO THIS ACTION AND IS OVER THE AGE OF EIGHTEEN YEARS AND RESIDES IN THE STATE OF NEW YORK.**That on 07/02/07 at 0955AM Hours at C/O SECRETARY OF STATE 41 STATE STREET ALBANY, NY  
deponent served the within **SUMMONS & VERIFIED COMPLAINT**

on

1854 MONROE AVENUE HOUSING DEVELOPMENT FUND  
CORPORATION

therein named,

**INDIVIDUAL**☐ Aby delivering a true copy of each to said personally; deponent knew the person so served to be the person described as said person therein. ☐ (S) He identified (her) himself as such.**CORPORATION**☐ B**SUITABLE  
AGE PERSON**☐ Ca (domestic) (foreign) corporation by delivering thereto <sup>two copies</sup> of each to personally, deponent knew said corporation so served to be the corporation described in legal papers and knew said individual to be **AUTHORIZED AGENT** thereof**APPENDING TO  
DOOR, ETC.**☐ Dby delivering thereto a true copy of each to a person of suitable age and discretion. Said premises is recipient's (actual place of business) (dwelling house) (usual place of abode) within the state. ☐ (S) He identified (her) himself as of recipient

by affixing a true copy of each to the door of said premises, which is recipient's (actual place of business) (dwelling house) (usual place of abode) within the state. Deponent was unable, with due diligence to find recipient or a person of suitable age and discretion, thereto, having called there on the dates below:

**MAILING  
USE WITH  
C or D**☐Service upon the N.Y.S. Secretary of State under Section  
306 of the B.C.L. and tendering a fee of \$40.00

Deponent also enclosed a copy of same in a postpaid sealed wrapper properly addressed to the above recipient and deposited

said wrapper in (a post office) official depository under exclusive care and custody of the United States Postal Service within New York State.

Deponent further states that he describes the person actually served as follows

Sex	Skin Color	Hair Color	Age (Approx.)	Height (Approx.)	Weight (Approx.)
FEMALE	WHITE	BLOND	35	5'5	140

**MILITARY  
SERVICE**☐

Above person has asked, whether the recipient (s) was (were) in the military service of the State of New York or the United States and received a negative reply. Upon information and belief based upon the conversation and observation as aforesaid deponent avers that the recipient (s) is (are) not in the military service of the State of New York or the United States as that term is defined in the statutes of the State of New York or the Federal Soldiers and Sailors Civil Relief Act.

That at the time of such service deponent knew the person (s) so served as aforesaid to be the same person (s) mentioned and described as the defendant(s) in this action.

\*\*\* ABOVE PAPERS WERE ENDORSED WITH THE INDEX NUMBER AND THE DATE OF FILING, 05/30/07 \*\*\*

**USE IN  
NYC CIVIL CT.**☐**Sworn to before  
me on the**

07/05/07

The language required by NYCRR 2900.2(e), (f) &amp; (h) was set forth on the face of said summons (es).

SANDRA FARRON

Notary Public, State of New York

No. 01FA4784241

Qualified in Nassau County

Commission Expires Sept. 30, 2009

DANIEL MILLER  
LICENSE No.

# 110434

## **Exhibit F**

Morstan Agency 7/20/2007 12:37 PM PAGE 2/017 Fax Server

07/20/2007 12:13 2125148383

MURPHY&amp;JORDAN,LLC

PAGE 01/09

**MURPHY & JORDAN, LLC**

ESTABLISHED 1926

INSURANCE BROKERS

32 OLD SLIP, 8<sup>TH</sup> FL.

NEW YORK, NY 10005

TEL: (212) 899-8981

FAX: (212) 514-8303

phayes@brownstoneagency.com

**FACSIMILE TRANSMITTAL SHEET**

TO:	FROM:
Hilda	Pamela Hayes
COMPANY:	DATE:
Morstan General Agency	July 20, 2007
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
(516) 302-8050	9
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
(516) 488-4747	
RE:	YOUR REFERENCE NUMBER:
Insured: 1854 Monroe Avenue HDFC	Policy No.: L7180545
Date of Loss: 12/20/06	Company: United National Specialty Ins Co.
Type of Loss: Liability Claim	Claimant: Eulalia Balaguer

☐ URGENT   ☐ FOR REVIEW   ☐ PLEASE COMMENT   ☐ PLEASE REPLY   ☐ PLEASE RECYCLE
**NOTES/COMMENTS:**

1<sup>st</sup> Report attached along with Summons and Verified Complaint. Please process accordingly.

Kindly acknowledge receipt with the claim number and name of the adjuster assigned.

Thank you.

Morstan Agency 7/20/2007 12:37 PM PAGE 1/017 Fax Server

P.O. Box 4500, Manhasset, NY 11030  
Tele: 516-488-4747 Ext. 3226  
Fax: 516-302-8050  
Email: Hriviera@morstan.com

**Morstan General  
Agency, Inc.**

# Fax

To: **United National ( Gl  
Claims Dept**

From: **Hilda Rivera-DeLeon**

Fax: **610-660+-8885**

Pages:

Re: **1854 Monroe Ave, H.D.F.C**

Date: **7/20/07**

Pol#: **L7180545**

**Date of Loss: 12/20/06 Claimant: Eulalia Balaguer**

**Enclosed please find accord loss form along with Summons.**

**We ask for your further review and acknowledgement as this is a first notice to our office.**

**Copy of policy is attached for coverage verification.**

**Thank you,  
Hilda Rivera**

**Cc: Pamela @ Murphy & Jordan**

Morstan Agency

7/20/2007 12:37 PM PAGE

3/017

Fax Server

07/20/2007 12:13 2125148303

MURPHY&amp;JORDAN, LLC

PAGE 02/09

<b>ACORD</b>		<b>GENERAL LIABILITY NOTICE OF OCCURRENCE / CLAIM</b>				DATE (MM/DD/YYYY) 07/20/2007	
AGENCY PHONE (A/C No. Ext.) 212-962-5520 MURPHY & JORDAN LLC 32 OLD SLIP NEW YORK, NY 10005		NOTICE OF OCCURRENCE DATE OF OCCURRENCE AND TIME 12/20/05		DATE OF CLAIM AM PM		PREVIOUSLY REPORTED YES NO	
EFFECTIVE DATE 05/05/2006		EXPIRATION DATE 05/05/2007		POLICY TYPE OCCURRENCE CLAIMS MADE		RETROACTIVE DATE	
COMPANY NAIC CODE UNITED NATIONAL SPECIALTY INS. CO.		MISCELLANEOUS INFO (BUS & INDUSTRY CODE)					
POLICY NUMBER L7180545		REFERENCE NUMBER					
INSURED NAME AND ADDRESS 1854 MONROE AVENUE H.D.F.C. C/O MONICA ACEVEDO 1854 MONROE AVENUE BRONX, NY 10457		CONTACT NAME AND ADDRESS MONICA ACEVEDO		CONTACT INSURED WHERE TO CONTACT WHEN TO CONTACT			
RESIDENCE PHONE (A/C No.) BUSINESS PHONE (A/C No. Ext.) CELL PHONE (A/C No.) EMAIL ADDRESS		RESIDENCE PHONE (A/C No.) BUSINESS PHONE (A/C No. Ext.) CELL PHONE (A/C No.) EMAIL ADDRESS					
<b>OCCURRENCE</b>							
LOCATION OF OCCURRENCE (include city & state) 1854 MONROE AVENUE BRONX, NY		AUTHORITY CONTACTED					
DESCRIPTION OF OCCURRENCE (Use separate sheet if necessary) EULALIA BALAGUER ALLEGEDLY SLIPPED AND FELL AT THE ABOVE LOCATION DUE TO INSURED'S NEGLIGENCE. SUMMONS AND VERIFIED COMPLAINT ATTACHED.							
<b>POLICY INFORMATION</b>							
COVERAGE PART OR FORMS (Refer to form for and attach dates)							
GENERAL AGGREGATE \$2,000,000		PROD/COMP OF AGG		PERS & ADV INJ \$2,000,000		EACH OCCURRENCE \$1,000,000	
FIRE DAMAGE \$50,000		MEDICAL EXPENSE \$5,000		DEDUCTIBLE		PD BI	
UMBRELLA EXCESS		EXCESS		LIMITS		ADGR PER CLAIM/ACC	
<b>TYPE OF LIABILITY</b>							
PREMIER INSURED IS OWNER TENANT OTHER:		TYPE OF PREMISES					
OWNER'S NAME & ADDRESS (if not insured)		OWNER'S PHONE (A/C No. Ext.)					
PRODUCTS INSURED IS MANUFACTURER VENDOR OTHER:		TYPE OF PRODUCT					
MANUFACTURER'S NAME & ADDRESS (if not insured)		MANUFACTURER'S PHONE (A/C No. Ext.)					
WHERE CAN PRODUCT BE SEEN?							
OTHER LIABILITY IN: COLLISIONS COMPLETED OPERATIONS (Explain)							
<b>INJURED/PROPERTY DAMAGED</b>							
NAME & ADDRESS (if insured/owner) EULALIA BALAGUER C/O FELDMAN, KRONFELD & BEATTY 42 BROADWAY, 18TH FLOOR - NEW YORK, NY 10004		PHONE (A/C No. Ext.) (212) 425-0230					
AGE SEX OCCUPATION		EMPLOYER'S NAME & ADDRESS		PHONE (A/C No. Ext.)			
DESCRIBE INJURY FATALITY		WHERE TAKEN		WHAT WAS INJURED DOING?			
DESCRIBE PROPERTY (Type, model, etc.) PERSONAL INJURIES		ESTIMATE AMOUNT		WHERE CAN PROPERTY BE SEEN?		WHEN CAN PROPERTY BE SEEN?	
<b>WITNESSES</b>							
NAME & ADDRESS		BUSINESS PHONE (A/C No. Ext.)		RESIDENCE PHONE (A/C No.)			
REMARKS INSURED RECEIVED THE SUMMONS ON 7/18/07.							
REPORTED BY INSURED		REPORTED TO MURPHY & JORDAN		SIGNATURE OF INSURED		SIGNATURE OF PRODUCER Yamela Thomas	

Morstan Agency 7/20/2007 12:37 PM PAGE 4/017 Fax Server

07/20/2007 12:13 2125148303

MURPHY&JORDAN,LLC

PAGE 03/09

State of New York - Department of State  
Division of Corporations

Party Served:  
1854 MONROE AVENUE HOUSING DEVELOPMENT  
FUND CORPORATION

Plaintiff/Petitioner:  
BALAGUER, EULALIA

1854 MONROE AVENUE HOUSING DEVELOPMENT F  
1854 MONROE AVENUE  
BRONX, NY 00000

Dear Sir/Madam:

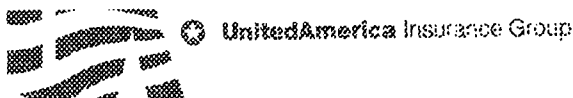
Enclosed herewith is a legal document which was served upon the Secretary of State on 07/02/2007 pursuant to SECTION 306 OF THE BUSINESS CORPORATION LAW.

This copy is being transmitted pursuant to such statute to the address provided for such purpose.

Very truly yours,  
Division of Corporations

## **Exhibit G**





Penn-America Group, Inc.<sup>®</sup>  
Penn-America Insurance Company<sup>®</sup>  
Penn-Star Insurance Company<sup>®</sup>  
Penn-Patriot Insurance Company

United National Group<sup>®</sup>  
United National Insurance Company<sup>®</sup>  
Diamond State Insurance Company<sup>®</sup>  
United National Specialty Insurance Company<sup>®</sup>  
United National Casualty Insurance Company<sup>®</sup>

Stan Doniger  
Direct Line: (610) 747-1046  
sdoniger@unitednat.com

July 24, 2007

Michael C. Beatty, Esq.  
Feldman, Kronfeld & Beatty  
42 Broadway  
New York, NY 10004

RE: Insured: 1854 Monroe Avenue H.D.F.C.  
D/L: 12/20/2006  
File No.: 07004861  
Claimant: Eulalia Balaguer

Dear Mr. Beatty:

This will confirm our telephone conversation of July 25, 2007 concerning a lawsuit filed in The Supreme Court of the State of New York County Of Bronx, Index No. 15713/07, Eulalia Balaguer v 1854 Monroe Avenue Housing Development Fund Corporation.

You have graciously granted us a 30 day extension to answer. Your courtesies in this matter are appreciated.

Very truly yours,

**UNITED NATIONAL SPECIALTY INSURANCE COMPANY**

Stanley Doniger  
Claims Examiner

cc:

## **Exhibit H**



★ UnitedAmerica Insurance Group

Penn-America Group, Inc.\*  
Penn-America Insurance Company\*  
Penn-Star Insurance Company\*  
Penn-Patriot Insurance Company  
United National Group\*  
United National Insurance Company\*  
Diamond State Insurance Company\*  
United National Specialty Insurance Company\*  
United National Casualty Insurance Company\*

Stan Doniger  
Direct Line: (610) 747-1046  
sdoniger@unitednat.com

August 21, 2007

**VIA UPS GROUND**  
**AND U.S. FIRST CLASS MAIL**

1854 Monroe Avenue H.D.F. C.  
C/O Monica Acevedo  
1854 Monroe Avenue  
Bronx, NY 10457

**Re: Claim No: 07004861**  
**Insured: 1854 Monroe Avenue H.D.F.C.**  
**Claimant: Eulalia Balaguer**  
**Date/Loss: 12/20/2006**

Dear Ms. Acevedo:

United National Specialty Insurance Company was notified of the pendency of a lawsuit filed in the Supreme Court of The State of New York, County of Bronx, Index #15713/07, entitled Eulalia Balaguer vs. 1854 Monroe Avenue Housing Development Corporation.

United National Specialty Insurance Company was notified of this claim by virtue of it having issued its' Commercial Lines General Liability policy L7180545, effective from May 5, 2006 to May 5, 2007 to 1854 Monroe Avenue H D F C. The policy has a potential to provide \$1,000,000 Combined Single Limits Liability Coverage, subject to a policy year general aggregate of \$2,000,000 and \$5000 medical payments coverage.

When I wrote to you on August 2, 2007 advising you of your lack of cooperation and asking for you or your representative to immediately contact me, Beatriz Echavarria contacted me, representing she is the president of the management company for your company at the location involved and was speaking to us on your behalf. She informed us she hired her brother to complete repairs in the claimant's apartment. The claimant, Ms. Balaguer, had made complaints to the City of New York about conditions in her apartment which you were aware of. In the process of making the repairs to the apartment in question, Ms. Balaguer was injured. With days of the injury, you were made aware of this injury, as related by Ms. Echavarria.

Page 2

**The purpose of this letter is to inform you there is no coverage under the terms of United National Specialty Insurance Company's policy for this loss.**

The policy of insurance issued to 1854 Monroe Avenue H.D.F.C. reads as follows:

**SECTION I - COVERAGES**

**COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III Limits of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is Covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A & B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

We now direct your attention to Section V - Definitions, which states as follows:

**SECTION V – DEFINITIONS**

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Page 3

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
15. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

We now direct your attention to SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS, which states as follows:

**2. Duties In The Event Of Occurrence, Offense, Claim or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or a "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received, and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

Page 4

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

**United National Specialty Insurance Company did not receive notice of this loss for over 7 months after the date of the loss. There is no coverage for this loss because of your violation of the conditions section of the policy.**

**By copy of this letter to the claimant's attorney ,we are also disclaiming directly to claimant's attorney as he also failed to comply with the policy conditions set forth above by failing to notify us of the "occurrence" and or claim as soon as practicable.**

If any additional information affects our position in this matter, United National Specialty Insurance Company reserves the right to withdraw, revise or supplement this letter. Further, this letter should not be construed to limiting any other defenses potentially available under the policy as additional provisions may limit or exclude coverage for the claims asserted. We also reserve the right to institute a Declaratory Judgment action on the issues relating to coverage, if we believe this is appropriate.

Should you wish to take this matter up with the New York State Insurance Department, you may write to, or visit the Consumer Services Bureau, New York State Insurance Department, at either 25 Beaver Street, New York, New York 10004; Agency Building, 1 Governor A. Rockefeller, Empire State Plaza, Albany New York 12257; or the Walter Mahoney Office Building, 65 Court Street, Buffalo, New York 14202. You may also contact them at their toll free number at (800) 342) 342-3736.

We will be happy to discuss with you any concerns 1854 Monroe Avenue H.D.F.C. may have about the coverage issues raised in this letter. If you have any questions or concerns, you can reach me at (610) 747-1046.

Sincerely,  
UNITED NATIONAL SPECIALTY INSURANCE COMPANY

Stanley Doniger  
Claims Examiner

/SD

Page 5

cc: Morstan General Agency  
P O Box 4500  
Manhasset, NY 11030-4500

Murphy & Jordan  
32 Old I Slip 8<sup>th</sup> Floor  
New York, NY 10006

Michael C. Beatty, Esq.  
Feldman, Kronfeld & Beatty  
42 Broadway 19<sup>th</sup> Floor  
New York, NY 10004

# **Exhibit I**



Investigations Trial Preparation Adjusting



**BRAATEN**  
ASSOCIATES

email: [abraa@optonline.net](mailto:abraa@optonline.net)

597 Colonial place  
Baldwin, ny 11510  
telephone 516-546-4054  
fax 516-546-5118

**INITIAL REPORT**

August 3, 2007

Attn: Mr. Stanley Doniger  
**UNITED NATIONAL GROUP**  
3 Bala Plaza East - Suite 300  
Bala Cynwyd, PA 19004

Claim no. : 07004861  
Claimant : Eulalia Balaguer  
Insured : 1854 Monroe Avenue, HDFC  
Date/ Acc : 12/20/2006  
Our file no. : BA-827

**ENCLOSURES**

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]

**DESCRIPTION OF LOSS**

This case is in suit. [REDACTED]

SCENE CANVASS/PHOTOS

On 08/01/07 we proceeded to 1854 Monroe Avenue, Bronx, NY and [REDACTED]  
[REDACTED]  
[REDACTED] income section of the [REDACTED]. The building seems to be in  
fair condition. The claimant lives in apt. 1B on the ground floor. [REDACTED]

This is a walk-up and the super, [REDACTED] lives in the basement. He was not at home. I canvassed the building and some tenants, all Hispanic, did not really know the claimant, who stays to herself. They were not aware of her injuries, saying she does not get out much. They did not recall an ambulance at the house, but they are not always home. They were able to provide the super [REDACTED] phone number, [REDACTED] We have left messages with no response to date.

**PROPERTY DEED**

We obtained a copy of the subject Property Deed which indicates the insured acquired this property on 05/01/1998.

**CLAIMANT/REPRESENTATION**

**Eulalia Balaguer** resides in apt. 1B in our insured's building. She is represented by the law firm of Feldman, Kronfeld and Beatty, 32 Broadway, 19<sup>th</sup> floor, New York, NY 10004, telephone (212) 425-0230.

**WORK TO BE DONE**

1. Continue our attempts to contact and interview the building super, [REDACTED] and obtain his version of the incident.

[REDACTED]

We will [REDACTED]

questi [REDACTED]

Respectfully submitted,  
**Allen Braaten - Adjuster**  
**BRAATEN ASSOCIATES**

**Investigations Trial Preparation Adjusting**



**BRAATEN**  
ASSOCIATES

email: [abraa@optonline.net](mailto:abraa@optonline.net)

597 Colonial place  
Baldwin, ny 11510  
telephone 516-546-4054  
fax 516-546-5118

**FINAL REPORT**

August 20, 2007

Attn: Mr. Stanley Doniger  
**UNITED NATIONAL GROUP**  
3 Bala Plaza East - Suite 300  
Bala Cynwyd, PA 19004

Claim no. : 07004861  
Claimant : Eulalia Balaguer  
Insured : 1854 Monroe Avenue, HDFO  
Date/Acc : 12/20/2006  
Our file no. : BA-827

**DESCRIPTION OF LOSS**

This case is in suit. She is alleging [REDACTED]  
[REDACTED]

**SCENE CANVASS**

As instructed, on 08/15/07 we returned to 1854 Monroe Avenue, Bronx, NY.  
The super named [REDACTED] was nowhere to be found. He lives in the basement  
apartment. A reply memo was left at his door.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

messages on his phone and with relatives at his phone number

**CLAIMANT/REPRESENTATION**

**Eulalia Balaguer** resides in apt. 1B in our insured's building. She is represented by the law firm of Feldman, Kronfeld and Beatty, 32 Broadway, 19<sup>th</sup> floor, New York, NY 10004, telephone (212) 425-0230.

WORK COMPLETED

You recently indicated you were able to determine that the claimant slipped on flooring glue put down by her "brother" who apparently was doing the work. Therefore, as instructed, we will inactivate our file at this time. In the meantime, should you have any questions or comments, please contact this office at 516-546-4054.

Respectfully submitted,  
**Allen Braaten** – Adjuster  
**BRAATEN ASSOCIATES**

## **Exhibit J**

**GLOBAL PROCESS SERVICE CO., INC.**

291 Broadway, Suite 1504

Tel. (212) 227-4901-8

Fax (212) 227-5008

Date

6/15

**REPORT**

vs.

1854 Monroe Ave P.

1. Moved, left no forwarding address.
2. ☐ Not listed in the Phone Book.
3. Not known at address given.
4. Out of business.
5. No such address.
6. No longer employed at given place.
7. Called numerous times — never in.
8. Has only mail and telephone privileges at address.
9. "Outside man", very seldom in office.
10. Can you furnish us either residence — business — better address — Apt. No.
11. No access at ☐ P.O.B. ☐ Apt.
12. Separated ..... only here.  
Whereabouts of Deft. refused:
13. Evading Service.
14. Shall we serve by Sub. Service?

**MUST HAVE EXTRA COPY****MUST HAVE LAST KNOWN RESIDENCE**

15. Defendant in Military Service.
16. Suggest 3rd party or Witness Subpoena for  
.....
17. Return by request .....
18. Can you authorize an additional charge? Special  
Service is necessary.
19. Expired. Please redate and return.
20. Attempted to trace for better address.
21. Cannot verify employment.
22. Can sub only on your authorization.

**REMARKS:**

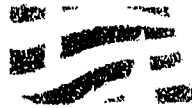
Residence - Not known

## **Exhibit K**



08/14/2007 14:42 7189334022

ROSY



UnitedAmerica Insurance Group

Penn-America Group, Inc.<sup>\*</sup>  
Penn-America Insurance Company<sup>\*</sup>  
Penn-Star Insurance Company<sup>\*</sup>  
Penn-Patriot Insurance Company<sup>\*</sup>  
United National Group<sup>®</sup>  
United National Insurance Company<sup>\*</sup>  
Diamond State Insurance Company<sup>\*</sup>  
United National Specialty Insurance Company<sup>\*</sup>  
United National Casualty Insurance Company<sup>\*</sup>

Stan Doniger  
Direct Line: (610) 747-1046  
sdoniger@unitednat.com

August 2, 2007

**VIA UPS GROUND**  
**AND U.S. FIRST CLASS MAIL**

1854 Monroe Avenue H.D.F. C.  
C/O Monica Acevedo  
1854 Monroe Avenue  
Bronx, NY 10457

**Re: Claim No: 07004861**  
**Insured: 1854 Monroe Avenue H.D.F.C.**  
**Claimant: Eulalia Balaguer**  
**Date/Loss: 12/20/2006**

Dear Ms. Acevedo:

United National Specialty Insurance Company was notified of the pendency of a lawsuit filed in the Supreme Court of The State of New York, County of Bronx, Index #15713/07, entitled Eulalia Balaguer vs. 1854 Monroe Avenue Housing Development Corporation.

United National Specialty Insurance Company was notified of this claim by virtue of it having issued its' Commercial Lines General Liability policy L7180545, effective from May 5, 2006 to May 5, 2007 to 1854 Monroe Avenue H D F C. The policy has a potential to provide \$1,000,000 Combined Single Limits Liability Coverage, subject to a policy year general aggregate of \$2,000,000 and \$5000 medical payments coverage.

We are writing to you due to your failure, to date, to cooperate in the investigation of this matter and your lack of assistance in arranging for the interviewing and statementizing of knowledgeable people with reference to the work done in the claimant's apartment which allegedly caused her to be injured. We are unable to identify the people who did the work and what was there relationship to you.

Page 2

The purpose of this letter is to inform you there will be no coverage under the terms of United National Insurance Company's policy for this claim if you do not immediately cooperate with the investigation and defense of this claim. You have 10 business days to comply with the terms of this letter. We have obtained an extension of time to answer the complaint until August 25, 2007. After that time, you will be in default and your assets will be exposed.

The policy of insurance issued to 1854 Monroe Avenue H.D.F.C. reads as follows:

## SECTION I - COVERAGES

### COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III Limits of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is Covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A & B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Page 3

We now direct your attention to Section V - Definitions, which states as follows:

**SECTION V - DEFINITIONS**

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
15. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

We now direct your attention to SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS, which states as follows:

**2. Duties In The Event Of Occurrence, Offense, Claim or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or a "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received, and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

- c. You and any other involved insured must:

08/14/2007 14:42 7189334022

ROSY

PAGE 05/06

Page 4

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

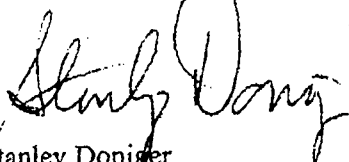
**Your continued lack of cooperation in accordance with the terms and conditions of the policy of insurance issued to your company may result in the denial of coverage in this matter. I urge you to contact me immediately and assist me in the investigation of this claim.**

If any additional information affects our position in this matter, United National Specialty Insurance Company reserves the right to withdraw, revise or supplement this letter. Further, this letter should not be construed to limiting any other defenses potentially available under the policy as additional provisions may limit or exclude coverage for the claims asserted. We also reserve the right to institute a Declaratory Judgment action on the issues relating to coverage, if we believe this is appropriate.

We will be happy to discuss with you any concerns 1854 Monroe Avenue H.D.F.C. may have about the coverage issues raised in this letter. If you have any questions or concerns, you can reach me at (610) 747-1046.

Sincerely,

UNITED NATIONAL SPECIALTY INSURANCE COMPANY



Stanley Doniger  
Claims Examiner

/SD

08/14/2007 14:42 7189334022

ROSY

PAGE 06/06

Page 5

cc: Morstan General Agency  
P O Box 4500  
Manhasset, NY 11030-4500

Murphy & Jordan  
32 Old I Slip 8<sup>th</sup> Floor  
New York, NY 1000



Penn-America Group, Inc.\*  
Penn-America Insurance Company\*  
Penn-Star Insurance Company\*  
Penn-Patriot Insurance Company  
United National Group\*  
United National Insurance Company\*  
Diamond State Insurance Company\*  
United National Specialty Insurance Company\*  
United National Casualty Insurance Company\*

Stan Doniger  
Direct Line: (610) 747-1046  
sdoniger@unitednat.com

August 21, 2007

**VIA UPS GROUND**  
**AND U.S. FIRST CLASS MAIL**

1854 Monroe Avenue H.D.F. C.  
C/O Monica Acevedo  
1854 Monroe Avenue  
Bronx, NY 10457

**Re: Claim No: 07004861**  
**Insured: 1854 Monroe Avenue H.D.F.C.**  
**Claimant: Eulalia Balaguer**  
**Date/Loss: 12/20/2006**

Dear Ms. Acevedo:

United National Specialty Insurance Company was notified of the pendency of a lawsuit filed in the Supreme Court of The State of New York, County of Bronx, Index #15713/07, entitled Eulalia Balaguer vs. 1854 Monroe Avenue Housing Development Corporation.

United National Specialty Insurance Company was notified of this claim by virtue of it having issued its' Commercial Lines General Liability policy L7180545, effective from May 5, 2006 to May 5, 2007 to 1854 Monroe Avenue H D F C. The policy has a potential to provide \$1,000,000 Combined Single Limits Liability Coverage, subject to a policy year general aggregate of \$2,000,000 and \$5000 medical payments coverage.

When I wrote to you on August 2, 2007 advising you of your lack of cooperation and asking for you or your representative to immediately contact me, Beatriz Echavarria contacted me, representing she is the president of the management company for your company at the location involved and was speaking to us on your behalf. She informed us she hired her brother to complete repairs in the claimant's apartment. The claimant, Ms. Balaguer, had made complaints to the City of New York about conditions in her apartment which you were aware of. In the process of making the repairs to the apartment in question, Ms. Balaguer was injured. With days of the injury, you were made aware of this injury, as related by Ms. Echavarria.

Page 2

The purpose of this letter is to inform you there is no coverage under the terms of United National Specialty Insurance Company's policy for this loss.

The policy of insurance issued to 1854 Monroe Avenue H.D.F.C. reads as follows:

**SECTION I - COVERAGES**

**COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III Limits of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is Covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A & B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

We now direct your attention to Section V - Definitions, which states as follows:

**SECTION V – DEFINITIONS**

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Page 3

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

15. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

We now direct your attention to SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS, which states as follows:

**2. Duties In The Event Of Occurrence, Offense, Claim or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or a "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received, and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and



Page 4

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

**United National Specialty Insurance Company did not receive notice of this loss for over 7 months after the date of the loss. There is no coverage for this loss because of your violation of the conditions section of the policy.**

**By copy of this letter to the claimant's attorney ,we are also disclaiming directly to claimant's attorney as he also failed to comply with the policy conditions set forth above by failing to notify us of the "occurrence" and or claim as soon as practicable.**

If any additional information affects our position in this matter, United National Specialty Insurance Company reserves the right to withdraw, revise or supplement this letter. Further, this letter should not be construed to limiting any other defenses potentially available under the policy as additional provisions may limit or exclude coverage for the claims asserted. We also reserve the right to institute a Declaratory Judgment action on the issues relating to coverage, if we believe this is appropriate.

Should you wish to take this matter up with the New York State Insurance Department, you may write to, or visit the Consumer Services Bureau, New York State Insurance Department, at either 25 Beaver Street, New York, New York 10004; Agency Building, 1 Governor A. Rockefeller, Empire State Plaza, Albany New York 12257; or the Walter Mahoney Office Building, 65 Court Street, Buffalo, New York 14202. You may also contact them at their toll free number at (800) 342) 342-3736.

We will be happy to discuss with you any concerns 1854 Monroe Avenue H.D.F.C. may have about the coverage issues raised in this letter. If you have any questions or concerns, you can reach me at (610) 747-1046.

Sincerely,  
UNITED NATIONAL SPECIALTY INSURANCE COMPANY

Stanley Doniger  
Claims Examiner

/SD

Page 5

cc: Morstan General Agency  
P O Box 4500  
Manhasset, NY 11030-4500

Murphy & Jordan  
32 Old Slip 8<sup>th</sup> Floor  
New York, NY 10006

Michael C. Beatty, Esq.  
Feldman, Kronfeld & Beatty  
42 Broadway 19<sup>th</sup> Floor  
New York, NY 10004

**Doniger, Stanley**

---

**From:** Cruz, Diane  
**Sent:** Monday, August 20, 2007 10:52 AM  
**To:** Doniger, Stanley  
**Subject:** 07004861

I spoke with the insured - Beatrice Echavarria at 718-299-1975, she is the owner and president of the management company for this location. She "hired" her brother to complete repairs in the Balaguer apartment. When he returns home from work this evening, she will ask him if she ever paid him for his services as she does not remember. The tenant had complained to the City about the lack of repairs to the unit and the insured was understandably upset by this. The brother, completed some repairs in both the bathroom and the kitchen. In the kitchen he was replacing floor tiles. The tenant wears long pants and shuffles around in slippers. She was warned to stay out of the kitchen until the glue for the floor tiles had set. She entered the kitchen, her slipper or pant leg stuck to the glue and she was caused to fall. The tenant is described as difficult.

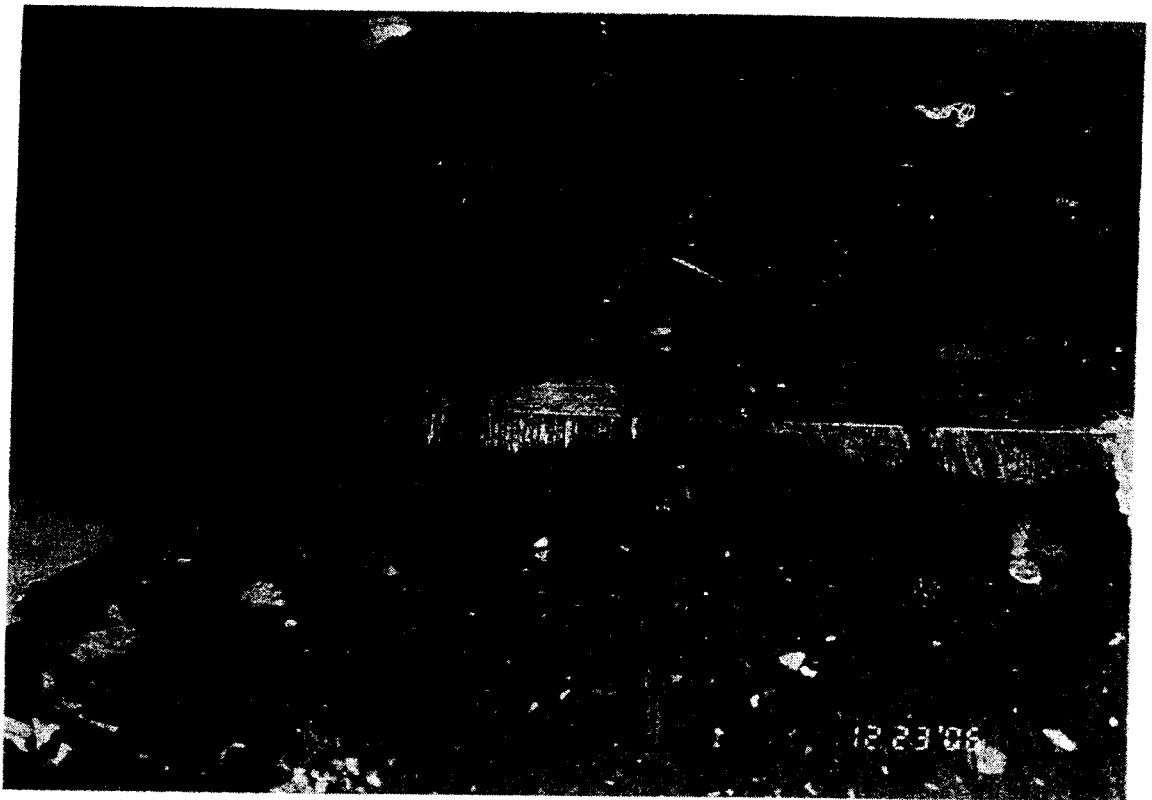
The insured was made aware of the event and resultant injury a few days after Balaguer returned from the hospital. However, the insured was not aware that a claim would be made until she received the lawsuit.

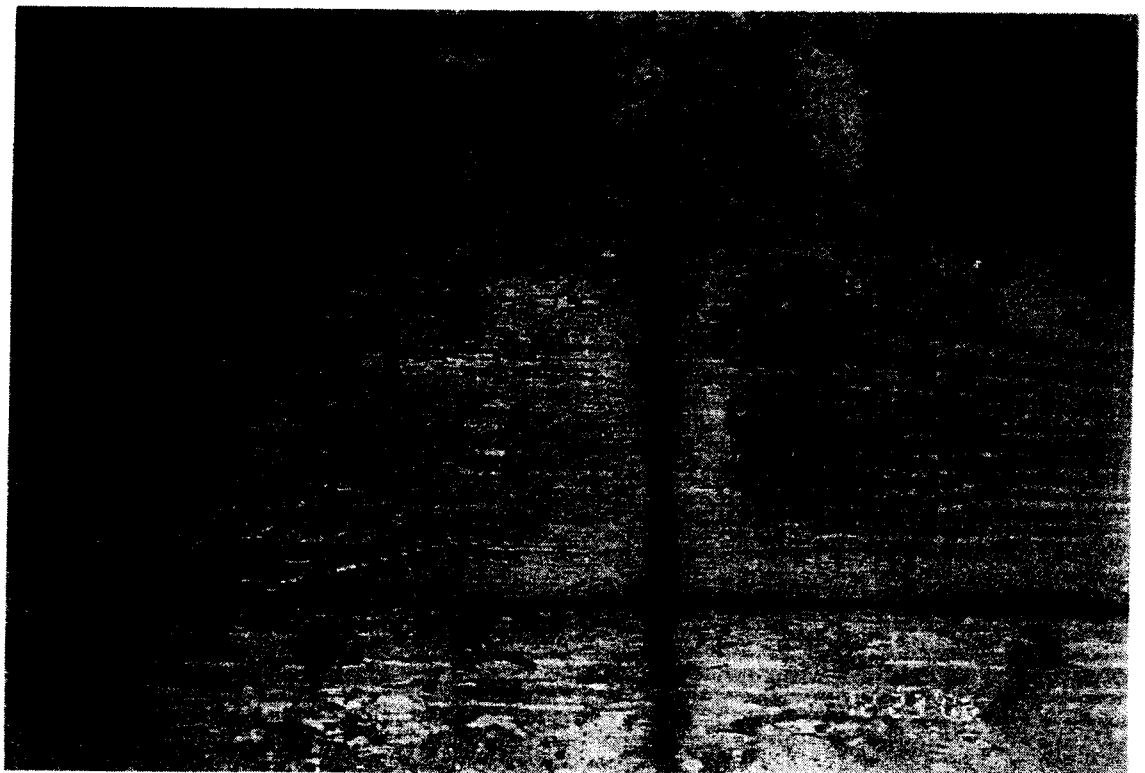
**Diane Cruz**  
Senior Claims Examiner II  
Professional Liability Claims Department  
**UnitedAmerica** Insurance Group  
*Members*  
Penn-America Group  
United National Group  
Three Bala Plaza East  
Suite 300  
Bala Cynwyd, PA 19004  
610.660.5473  
610.660.8885 fax

Commercial Binding Authority products, visit [www.penn-america.com](http://www.penn-america.com).  
Specialty and Brokerage products, visit [www.unitednat.com](http://www.unitednat.com).

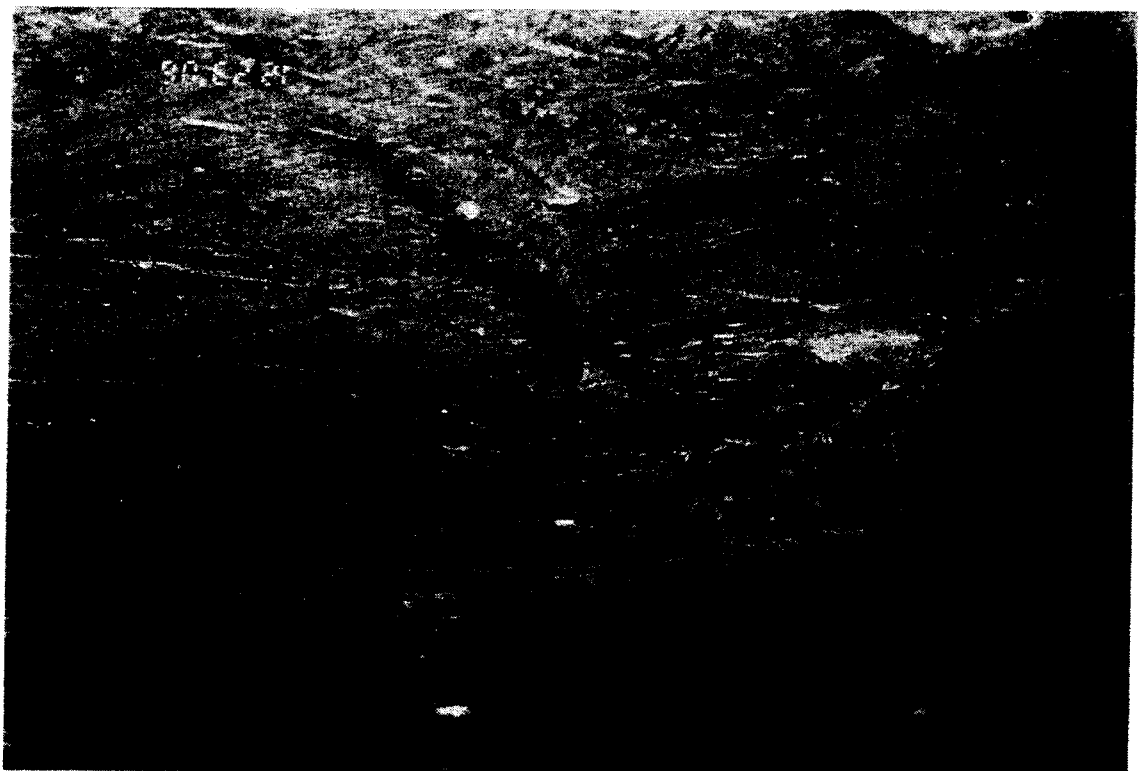
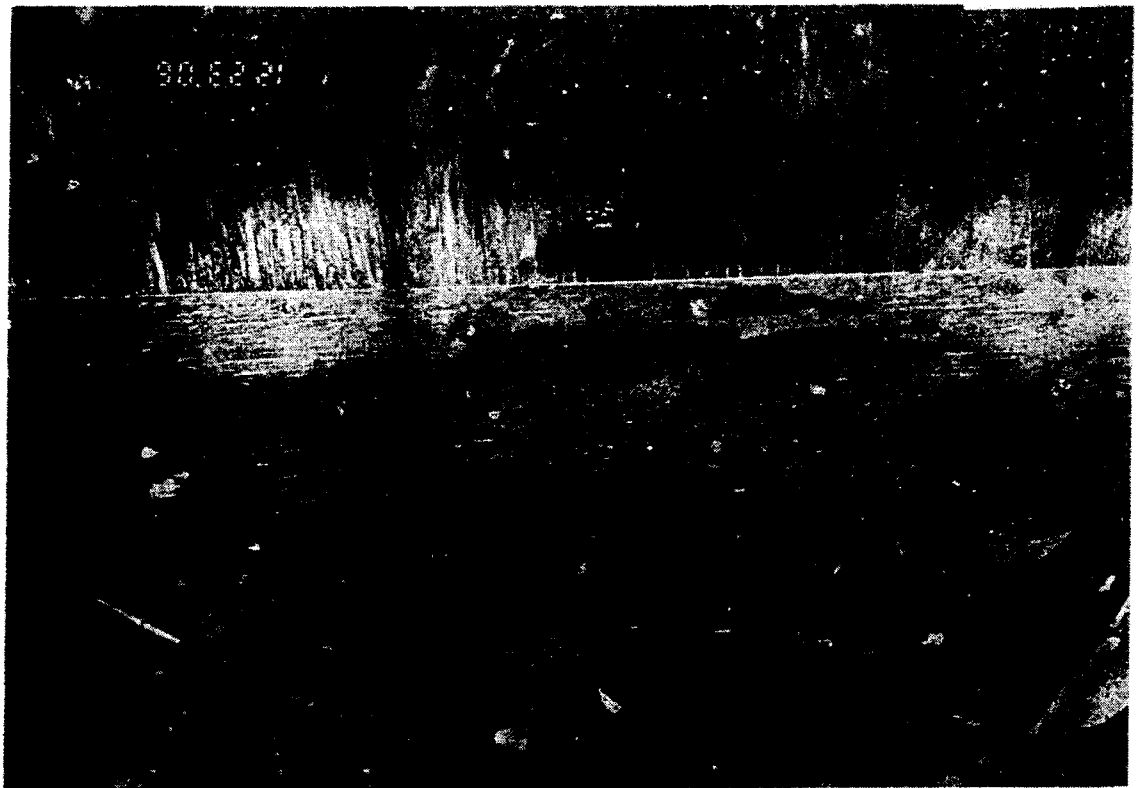
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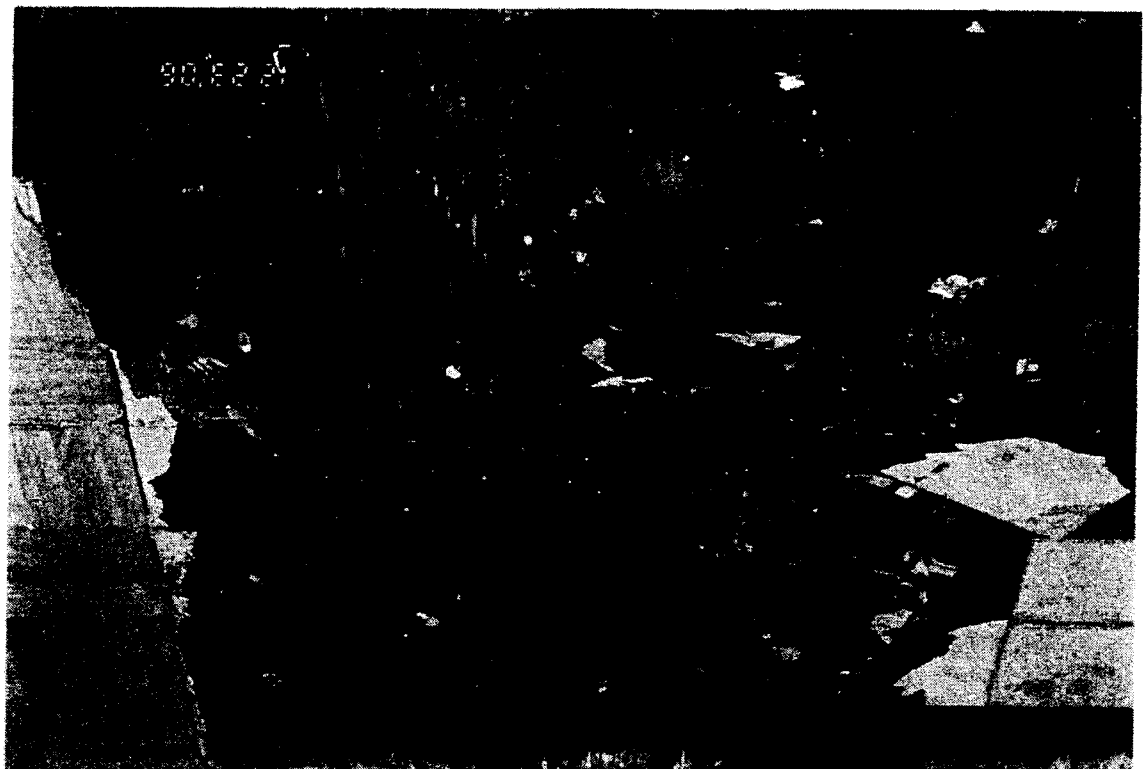














08/28/2007 09:52 AM 906C0\_9556

**FELDMAN, KRONFELD & BEATTY**

ATTORNEYS AT LAW  
42 BROADWAY, 19<sup>TH</sup> FLOOR  
NEW YORK, NEW YORK 10004

TEL: (212) 425-0230

FAX: (212) 809-6174

LONG ISLAND OFFICE  
45 NORTH STATION PLAZA  
GREAT NECK, N.Y. 11021  
(516) 482-2282

August 24, 2007

United America Insurance Group  
Three Bala Plaza East  
Suite 300  
Bala Cynwyd, PA 19004

Attention: Stanley Doniger

Re: Your Insured: 1854 Monroe Avenue HDFC  
Claim #: 07004801  
D/A: December 20, 2006

Dear Mr. Doniger:

We are in receipt of your correspondence dated August 21, 2007.

The position you have chosen to adopt is unfounded. As proof of same, *inter alia*, you failed to properly preserve your rights within the statutory time period to interpose an Answer in this matter or take other action in response to the lawsuit herein. I refer specifically to your self serving letter of July 24, 2007 in which you refer to a "30 day extension to Answer". Without addressing the general validity of your asserted right, it is noted that no reference is made concerning a time for the purpose of allowing a disclaimer to follow and you – as the entity obligated to defend – have placed the insured in default.

We intend to move on that default. As you were advised, the extent of the plaintiff's injuries are significant, having a value in excess of your stated limits of \$1,000,000.00. You have now foregone the opportunity to provide a valid defense to your insured. The obvious

08/28/2007 09:52 AM 906C0\_9556

Re: Your Insured: 1854 Monroe Avenue HDFC  
Claim #: 07004801  
D/A: December 20, 2006  
Page 2

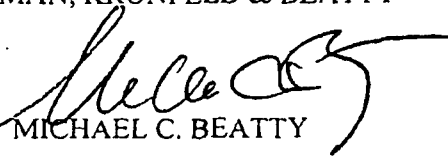
economic impact on both your company, as the carrier, and the defendant, by permitting this matter to proceed to inquest is potentially enormous. However, once a judgment has been obtained we will seek to enforce it against United America Insurance Group. I am sure you are aware of the numerous cases in which the carrier has been compelled to pay under similar fact patterns.

We will provide your office with an additional 10 days in which to review your decision. This is not to be deemed as extension of your rights. You must advise within that time period, in writing, as to any modified decision at which you have arrived. We will then take such information, if provided, into consideration before proceeding.

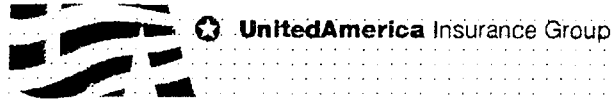
Very truly yours,

FELDMAN, KRONFELD & BEATTY

By:

  
MICHAEL C. BEATTY

MCB:ab



Penn-America Group, Inc.<sup>®</sup>  
Penn-America Insurance Company<sup>®</sup>  
Penn-Star Insurance Company<sup>®</sup>  
Penn-Patriot Insurance Company

United National Group<sup>®</sup>  
United National Insurance Company<sup>®</sup>  
Diamond State Insurance Company<sup>®</sup>  
United National Specialty Insurance Company<sup>®</sup>  
United National Casualty Insurance Company<sup>®</sup>

Stan Doniger  
Direct Line: (610) 747-1046  
sdoniger@unitednat.com

July 25, 2007

Michael C. Beatty, Esq.  
Feldman, Kronfeld & Beatty  
42 Broadway  
New York, NY 10004

RE: Insured: 1854 Monroe Avenue H.D.F.C.  
D/L: 12/20/2006  
File No.: 07004861  
Claimant: Eulalia Balaguer

Dear Mr. Beatty:

This will confirm our telephone conversation of July 25, 2007 concerning a lawsuit filed in The Supreme Court of the State of New York County Of Bronx, Index No. 15713/07, Eulalia Balaguer v 1854 Monroe Avenue Housing Development Fund Corporation.

You have graciously granted us a 30 day extension to answer. Your courtesies in this matter are appreciated.

Very truly yours,

**UNITED NATIONAL SPECIALTY INSURANCE COMPANY**

Stanley Doniger  
Claims Examiner

cc:

**Doniger, Stanley**

---

**From:** Cruz, Diane  
**Sent:** Monday, August 20, 2007 10:52 AM  
**To:** Doniger, Stanley  
**Subject:** 07004861

I spoke with the insured - Beatrice Echavarria at 718-299-1975, she is the owner and president of the management company for this location. She "hired" her brother to complete repairs in the Balaguer apartment. When he returns home from work this evening, she will ask him if she ever paid him for his services as she does not remember. The tenant had complained to the City about the lack of repairs to the unit and the insured was understandably upset by this. The brother, completed some repairs in both the bathroom and the kitchen. In the kitchen he was replacing floor tiles. The tenant wears long pants and shuffles around in slippers. She was warned to stay out of the kitchen until the glue for the floor tiles had set. She entered the kitchen, her slipper or pant leg stuck to the glue and she was caused to fall. The tenant is described as difficult.

The insured was made aware of the event and resultant injury a few days after Balaguer returned from the hospital. However, the insured was not aware that a claim would be made until she received the lawsuit.

**Diane Cruz**  
Senior Claims Examiner II  
Professional Liability Claims Department  
**UnitedAmerica** Insurance Group  
Members  
Penn-America Group  
United National Group  
Three Bala Plaza East  
Suite 300  
Bala Cynwyd, PA 19004  
610.660.5473  
610.660.8885 fax

Commercial Binding Authority products, visit [www.penn-america.com](http://www.penn-america.com).  
Specialty and Brokerage products, visit [www.unitednat.com](http://www.unitednat.com).

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Morstan Agency 7/20/2007 12:37 PM PAGE 11/017 Fax Server



**UNITED NATIONAL SPECIALTY INSURANCE COMPANY**  
MILWAUKEE, WISCONSIN

**RENEWAL CERTIFICATE**  
**VALUABLE - ATTACH TO YOUR POLICY**

**Policy Number:** L7180545

**Named Insured:** 1854 MONROE AVENUE, H.D.F.C.

**Mailing Address:** C/O MONICA ACEVEDO  
Street: 1854 MONROE AVE.

City: BRONX  
State & Zip Code: NY 10457

**Renewal Period:** From: May 5, 2006 To: May 5, 2007  
at 12:01 A.M. Standard Time at the mailing address shown above.

**Producer Name:** Morstan General Agency  
Address: P.O. BOX 4500

**Producer Number:** MANHASSET NY 11030-4500  
01076

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM SHOWN BELOW, THE COVERAGE INDICATED IS RENEWED AND SUBJECT TO ALL THE TERMS AND CONDITIONS OF THE PREVIOUS POLICY INCLUDING FORMS AND ENDORSEMENTS, UNLESS OTHERWISE SPECIFIED. CHANGES IF ANY: IL 0985

THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

**PREMIUM**

Commercial General Liability Coverage Part

\$5,939.00

**TOTAL** \$5,939.00

By: \_\_\_\_\_

Countersignature

Morstan Agency

7/20/2007 12:37 PM PAGE 12/017 Fax Server

Policy Change  
Number 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85

**POLICY CHANGES**

POLICY NO.  L7180545	POLICY CHANGES EFFECTIVE  05/05/2004	COMPANY  UNITED NATIONAL SPECIALTY INSURANCE COMPANY
NAMED INSURED  1854 MONROE ST. H.C.F.C.		AUTHORIZED REPRESENTATIVE  MORSTAN GENERAL AGENCY, INC.
COVERAGE PARTS AFFECTED  Commercial General Liability		
CHANGES  IT IS HEREBY UNDERSTOOD AND AGREED THAT THE NAMED INSURED IS AMENDED TO READ AS FOLLOWS:  1854 MONROE AVENUE, H.D.F.C. C/O MONICA ACEVEDO  NO CHANGE IN PREMIUM 11/16/04 AS BRK: MURPHY & JORDAN, INC.		

  
Authorized Representative Signature



Morstan Agency 7/20/2007 12:37 PM PAGE 13/017 Fax Server

## **POLICY BANNER PAGE**

**POLICY NUMBER:** L7180545

**INSURED:** 1854 MONROE ST. H.C.F.C.

**POLICY FORMS ARE COMPLETE**

Morstan Agency

7/20/2007 12:37 PM PAGE 14/017 Fax Server

1854 MONROE ST. H.C.F.C.

L7180545

**SCHEDULE OF POLICY FORMS AND ENDORSEMENTS**

Form(s) and Endorsement(s) made a part of this policy at time of issue.

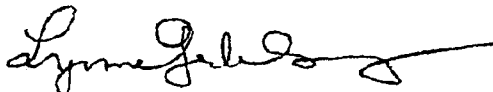
<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
<b>COMMON</b>		
DPA100	0898	COMMON POLICY DECLARATIONS
EAA100	0798	IN WITNESS CLAUSE
IL0003	1185	CALCULATION OF PREMIUM
IL0017	1198	COMMON POLICY CONDITIONS
IL0021	1185	NUCLE ENERGY LIAB EXCL (BROAD)
IL0185	0498	NY CHANGES - CALC OF PREM
IL0268	0498	NY CHANGES - CANC & NON RENL
IL0985	0103	DISCLOSURE TERROR RISK INSURANCE
<b>COMMERCIAL GENERAL LIABILITY</b>		
CL150	0995	CGL COVERAGE PART DECLARATIONS
CG0001	0196	CGL COVERAGE FORM
CG0163	0798	NY CHANGES - CGL COVERAGE FORM
CG2144	1185	LIMIT OF COV DES PREM PROJECT
CG2147	1093	EMPLYMNT RELATED PRACTICE EXCL
CG2149	0196	TOTAL POLLUTION EXCL ENDT
CG2621	1091	NY CHANGES/TRANSFER OF DUTIES
CG2624	0892	NY CHANGES - LEGAL ACTION / US
SL4	0298	EXCL - ASSAULT & BATTERY
SL11	0598	EXCL - ASBESTOS
SL31	0298	EXCL - LEAD LIABILITY
SL65	0698	EXCL PUNITIVE & EXEMPLARY DAMG
**		END OF GL FORMS

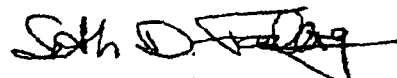
Morstan Agency

7/20/2007 12:37 PM PAGE 15/017 Fax Server

### In Witness Clause

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

  
Secretary

  
President

Morstan Agency

7/20/2007 12:37 PM PAGE 16/017 Fax Server

POLICY NUMBER: L7180545

IL 09 85 01 03

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002

### SCHEDULE\*

Terrorism Premium (Certified Acts) \$ EXCLUDED

Additional Information, if any, concerning the terrorism premium:

\* Information required to complete this Schedule. If not shown on this endorsement, will be shown in the Declarations.

#### A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### B. Disclosure of Federal Participation In Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

Morstan Agency

7/20/2007 12:37 PM PAGE 17/017 Fax Server

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**EFFECTIVE DATE: May 5, 2004  
12:01 A.M., Standard Time

POLICY NO.: L7180545

LIMITS OF INSURANCE						
General Aggregate Limit (Other Than Products-Completed Operations)	\$	2,000,000				
Products-Completed Operations Aggregate Limit	\$	INCLUDED				
Personal and Advertising Injury Limit	\$	1,000,000				
Each Occurrence Limit	\$	1,000,000				
Fire Damage Limit	\$	50,000	ANY ONE FIRE			
Medical Expense Limit	\$	5,000	ANY ONE PERSON			
RETROACTIVE DATE (CG 00 02 ONLY)						
Coverage A of this insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here:						
(Enter Date or "None" if no Retroactive Date applies)						
FORM OF BUSINESS						
<input type="checkbox"/> Individual	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Organization (other than Partnership or Joint Venture)			
LOCATION OF PREMISES						
Location of All Premises You Own, Rent or Occupy:						
Loc #	1854 MONROE AVE., BRONX, NY					10457
001						
PREMIUM						
Loc #	Classification	Code No.	Premium Basis	Rate Pr/Co All Other	Advance Premium Pr/Co All Other	
001	APART GREATER NY W/OUT ELVTR	60022	UNITS 25	INCLUDED 237 554	INCLUDED 5939	
**	PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT**					
Total Advance Premium					\$5,939.00	
FORMS AND ENDORSEMENTS						
SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100						